

University: Area's Biggest Single Business

This report on the leading business operations in Columbia was written by Pat Johnson, Janet Plorko and Carol Flaker, members of The Missourian's special business reporting team.

Columbia's biggest business owns a meat-selling plant and dairy plant, a drugstore, a radio station, a television station, and even a soap factory. It owns 3,000 acres of land, and provides housing units, entertainment facilities and food services.

It employs more than 12,000 persons, and pays approximately \$70 million annually in salaries.

"The University is big business," says Rowland Smith, of the University Office of Public Information. In 1967, which Smith says was a typical year, income from the University's auxiliary enterprises was \$10 million, of which he estimates \$2 million is "profit."

The University, two colleges, a vocational-technical school, two high schools, four junior high schools and 14 elementary schools all contribute to the educational atmosphere which tends to overshadow other local businesses and industries.

City Is Insurance Center

Foremost among other area enterprises are the insurance companies. The home office of MFA Insurance Companies, 1817 W. Broadway, employs 973 persons who are paid \$6 million in annual salaries. This office also directs the work of an additional 666 employees in 15 surrounding states.

Founded in 1946 as MFA Mutual, primarily an auto insurance company, it has since added MFA Life Insurance, Security Service, and Countryside Casualty companies to meet a variety of insurance needs.

A \$5 million annual payroll and 600 local employees at the two-state regional office of State Farm Mutual Automobile Insurance Co. rank it as Columbia's next largest enterprise.

In addition to the 600 local employees, the office is responsible for 1,100 regional employees and 600 agents.

One of 25 such regional offices in the United States and Canada, State Farm has traditionally selected small communities from which to operate, Donald W. Dugan, regional vice president, says.

Another local insurance firm, the Silvey Companies, has expanded considerably since its 1964 inception. From a small company with 25 original stockholders and 15 employees, within two years the number of stockholders had increased to 2,300, and the number of employees had tripled.

Today it is composed of three casualty and two life insurance companies, a branch office in Tulsa, Okla., and a finance division.

Its home office here employs 60 persons, 90 per cent of whom are clerical, in offices scattered throughout Parkade Plaza. In June, Silvey will move its offices to a 10-acre site on West Broadway.

Hospitals Employ Many

The city's hospitals are the next largest group of employers. The Boone County Hospital has a payroll staff of 650, excluding doctors; Ellis Fischel State Cancer Hospital employs 300; and Columbia's newest medical facility, the veteran's Administration Hospital, has a full-time staff of 573, which probably will increase to 740 by June 30.

Outside the fields of education, insurance and medicine, industry in Columbia is light — even noticeably absent. The Minnesota Mining & Manufacturing Co. (3M) is the city's largest and most recent industrial addition.

With home offices in St. Paul, 3M is among the top 60 industrial corporations in sales, and is among the top 30 in earnings nationwide.

The Columbia plant, one of the international company's 52 locations, employs 130 persons. Its 46-acre site on Route B was dedicated in December, 1970.

The American Press, Inc., was organized in 1908 by William Hirth as the Missouri Farmer Printing Co., which he then used to establish the Missouri Farmer's Assn. (MFA). MFA purchased the press in 1954, and incorporated it as a subsidiary in 1963. Standard International Corp. of Andover, Mass., acquired the business in December, 1971.

Located on a 15-acre site on Route B, the press prints 19 publications and six catalogs and does commercial and job printing. The company has 100 employees and an annual payroll of \$1 million.

New Industry Sought

An awareness of the lack of local industry has led Columbia's Chamber of Commerce to create an industrial development task force. It will coordinate the efforts of three committees: The Columbia Industrial Development Corp., consisting of 250 private stockholders whose job it is to find an appropriate site for the industry; the five-man Columbia Industrial Commission, which advises the City Council in areas such as zoning, power, and sewage; a research branch which supplies statistical information to visiting industrial prospects.

Any effort these men make, however, is worth little without community support. Robert Baeker, president of 3M locally, says the attitude of community leaders may have been a hindrance to industry settling here.

"The citizens of Columbia in the past have been turned inward and infatuated with the University," Baeker says.

University President C. Brice Ratchford's original Role and Scope plan in 1971 may have been the catalyst which altered this attitude. The proposal, which threatened to distribute University departments among the four campuses, called attention to "the need for and reason for diversifying our employment." George Ogden, executive vice president of the Chamber of Commerce, says.

Another reason for drawing industry to the community is that it broadens the tax base and circulates new money. The impact of this money will be greater with some industries than others. 3M, for example, brings outside money into the community through investment, employee salaries and local taxes, yet takes no money from the community through local sales.

Aspects of a community that attract industry include a good labor market, adequate transportation facilities, accessibility to interstate highways and its general livability.

Dugan of State Farm Insurance says a good communications system and, in particular, one day mail (Continued on Page 16)

High School Boundaries Approved

Lewis, Mrs. Hinshaw Seek Reelection to School Board

Boundaries for the new Rock Bridge High School, largely following elementary district lines, were established at a Friday night meeting of the Columbia Board of Education.

Following a recommendation of the boundary lines committee, the Board approved a boundary line which will enclose all of Grant and Rock Bridge elementary districts and a portion of Russell and Lee districts south of Rollins Road and Rollins Street.

Dr. Russell Thompson, head of the committee and assistant superintendent of schools, said the plan "came the closest to meeting the criteria we had established in advance." He said the new boundary "won't make everyone happy but we had to pick the one that would benefit the most people."

The committee's criteria included maintaining socio-economic and racial balances, retaining the neighborhood school and following a natural dividing line.

T. K. Chang, Hickman High School student

body president, said the "topmost part of the boundary does reach close to Hickman and ... there may be some unhappy people who will want to stay at Hickman." About 400 students will be transferred from Hickman to Rock Bridge.

A transfer committee will consider requests from students to remain at Hickman.

"Students who have attended Hickman High two years and want to graduate from it will be highly considered," Thompson said. Parents should submit a letter to the board requesting transfer, he said.

Because Hickman is an area vocational training school, the state Department of Education will pay for transportation of students dually enrolled at Rock Bridge and Hickman for vocational training, Robert Shaw, Columbia school superintendent, said.

Transportation also will be provided for most Grant and Russell-area students.

Shaw said, however, students who are

assigned to Rock Bridge and choose to transfer to Hickman will have to furnish their own transportation to school.

A total of 580 students will be enrolled at the new school, leaving a growth allowance of 70 students.

In other business, Rod Schlimme presented a salary committee recommendation that all available funds be added to the present base to provide a maximum salary increase in compliance with federal regulations. "In the event that state funds are not available for implementing this recommendation, we urge that the Board of Education pursue other avenues for securing these funds."

The Board also decided to make up three snow days lost by cutting off a day of the spring recess and conducting classes on Wednesday, March 14; Monday, April 23, which is the day after Easter; and Friday, June 1. School was originally scheduled to end May 31.

Both Board of Education incumbents filed for

reelection at the close of Friday night's board meeting, and Mrs. Val Hinshaw won the flip of the coin to get her name on the ballot first, ahead of Ray Lewis.

Mrs. Hinshaw said she was pleased with the progress made during the past three years and would like to see the new programs initiated during this period supported and expanded.

She said "There has been much public awareness of the need for career education in this community." She added that the needs of non-college bound students has received wide attention from the community.

"The work-study program at the junior high level has provided an alternative to 'dropping out' and such programs deserve to be expanded."

Mrs. Hinshaw said a school board member should be accessible to the public and that she would "again welcome suggestions, conversations and criticisms."

Before serving as a member of the Board of (Continued on Page 16)

Appeals Court Action Blocks Alaska Pipeline

WASHINGTON (AP) — The U.S. Circuit Court of Appeals overturned a lower court Friday and blocked construction of the Alaska pipeline.

The court, agreeing with environmentalists, ruled that the extra-wide land-use permit violated specific provisions of the Mineral Leasing Act of 1920.

Specifically, the act says that right of ways over public lands must be limited to a width of 25 feet on either side of the pipeline, an attorney for the environmentalists said.

Hence, the court ruled, the 146-foot right-of-way granted to the Aleyska oil consortium violated the act.

"Since all parties agree that construction of the proposed 48-inch pipeline is impossible if all construction work must take place within the width limitations ... we must enjoin issuance of the special land use permit until Congress changes the applicable law," the court said.

Among those contesting the construction were the Wilderness Society; Environmental Defense Fund, Inc. and Friends of the Earth.

The appeals court said, in effect, that Congress must amend the act before construction on the pipeline with the presently planned right of way can go ahead. And also, the court ruled, before environmental questions can even be considered.

The court directed the lower court, which approved the pipeline last August, to enjoin Secretary of the Interior Rogers C. B. Morton from issuing a right-of-way permit until the question is resolved.

Curators Study Plan for 5th Campus

A proposal that Missouri Western College of St. Joseph be made another campus in the University of Missouri system is being considered by the Board of Curators.

The proposal, signed by the presidents of the Missouri Western board of regents and board of trustees, was submitted at the December Board meeting and requests "a meeting with the Board of Curators of the University of Missouri system or a committee of same to explore one possibility: that of Missouri Western becoming a campus of the University of Missouri system."

The proposal said the request was being submitted so "that we should have maximum input regarding the final decision of the state legislative and administrative branches of government on reorganization, insofar as Missouri Western is concerned."

At the same meeting the Board appointed Dr.

A. G. Unklesbay, vice president for University administration, and Jackson Wright, University legal counsel, to collect information about Missouri Western. Wright said Friday that the information has been submitted to the Board.

"We were just getting some facts and figures to give to the Board," he said. "We haven't made recommendations of any kind; we weren't supposed to. I assume the Board will study it when they get time, but I don't know what the procedure will be from here on in."

Wright said he didn't know if Missouri Western actually wants to become part of the University system. "Their resolution didn't say that they want to become part of the University, only that they want the Board to look into it. It was purely exploratory talk."

Wright said he hasn't developed an opinion on whether the merger should take place.

"I have no idea when this would take place, if it does, and I wouldn't even guess what effect it would have on the University."

According to Wright, Missouri Western has an enrollment of about 3,000. "The first two years are a junior college, and the last two are a state school set up five or six years ago by the Legislature."

Mrs. Avis Tucker, one of the Curators, said the Board has taken no action on the matter other than appointing Unklesbay and Wright to make the study. "The information has been submitted and is being looked at, but I don't think anyone has any idea what will become of it."

"I don't know if it will be brought up at the next meeting," she said. "At this point I don't think anyone knows enough about it to have formed an opinion."

Sales Tax Averts Cuts in Services

Earnings, Increased Property Tax Discarded as New Revenue Source

This article on the current status of Columbia's city sales tax revenue was written by Dennis Herzog, Jerry Yadamiec and Tom Womack of The Missourian's special government-politics reporting team.

"A penny saved is a penny earned." In 1970, Columbia had either to "save" many pennies by curtailing some services, or "earn" more by finding a new source of revenue.

According to the city charter, adopted in 1949, Columbia is forbidden to operate on a deficit budget. Rather than cut back services, city officials in 1970 considered three new sources of revenue: A city sales tax, an increase in the property tax rate and an earnings tax.

City Manager Don Allard said he felt an increase in the property tax to its maximum of \$1 per \$100 assessed valuation (the present rate is 85 cents) would create a maximum of only \$150,000 a year in increased revenue, since much of the land the city might tax is owned by tax-

exempt educational organizations.

The earnings tax would require a special act of the Legislature since under Missouri law only cities with more than 600,000 population are permitted to levy this type of tax.

The city sales tax was attractive to city officials for several reasons:

—It is easy to administer, since the state is responsible for the actual collection of the tax.

—It provides a predictable source of revenue, thus allowing the city to plan for capital improvements.

—Revenue from a city sales tax is geared to inflation. The value of incomes rises or falls with the economy. If inflation drives up the cost of private goods, it also increases the revenue for public services.

—The sales tax produces a large revenue.

After weighing the various alternatives, the City Council decided to put the question of the city sales tax before the voters.

On Dec. 15, 1970, Columbia voters, in a light

turnout, voted for the sales tax with 61.6 per cent of the vote. The tax became effective April 1, 1971, and since that time has generated about \$2.7 million.

In the first fiscal year of sales tax collection, 63.7 per cent was put in the public improvement fund for park land acquisition and development and street improvements. This percentage decreased to 54.5 per cent in the second fiscal year and is now 45.5 per cent. The rest of the money was placed in the general revenue fund, used for general operating expenses of city government.

Money in these funds, however, does not remain idle. Some of it, notably general revenue funds, is used as soon as it comes in. Money that is not used immediately is invested in short term certificates of deposit and federal notes.

The city now has about \$5 million of public improvement funds in city banks, \$2.25 million at the First Bank of Commerce, \$700,000 at the Boone County National Bank, and \$1 million at

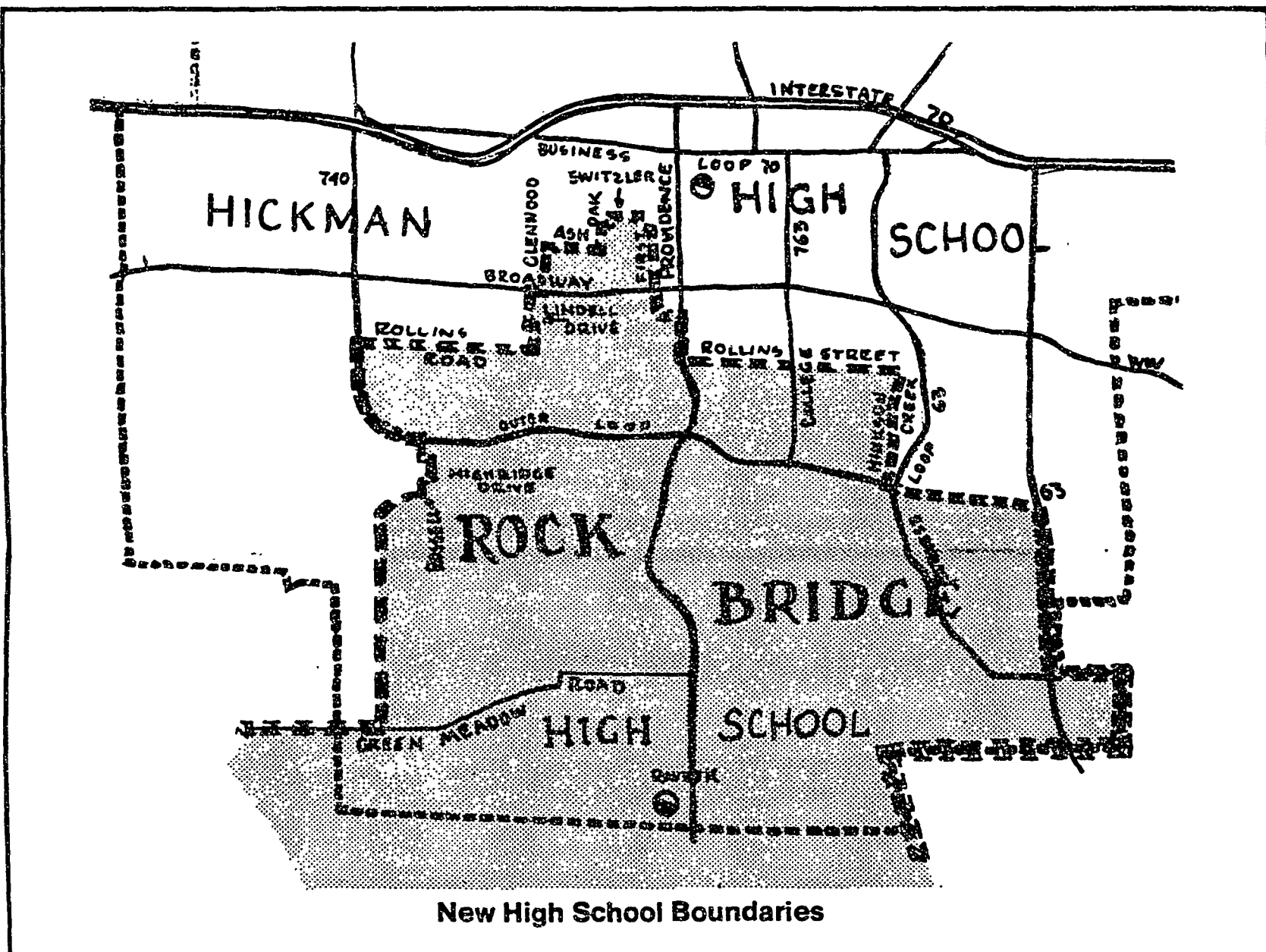
both the Columbia National Bank and First National Bank & Trust Company. There is about \$1 million invested in federal notes.

Each of the banks may offer a different rate of interest on a note purchased for a specific period. City funds are invested at the bank offering the highest rate on a note which matures at the time the money is expected to be used.

The funds have been used for such projects as park improvements, the walkway over College Avenue at Stephens College and the Emergency Civil Defense Center in the Police Building. Future plans include further park land acquisition, sidewalk construction at Hyland Drive and Ash Street and on Worley Street, and development of the old airport as a park.

Although there was little opposition to proposed uses for the revenue, several persons and organizations opposed the tax because of its regressive nature.

A sales tax takes a greater proportion of the (Continued on Page 16)



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